



City of LOS ALTOS

ADOPTED

FY 2020 & 2021
Operating Budget

FY 2020 - 2024
Five-year Capital Improvement Plan



Future Los Altos Community Center

BUDGET MESSAGE

In 2018, the City Council directed how to allocate \$1.2 million annually for facility maintenance and improvements. The first project is the addition of an emergency operations center at the Police Station. Other projects focus on several of the City's facilities over the next five years and the proposed CIP includes \$1.2 million each year. The City also is utilizing nearly \$1 million of Public, Education, and Government (PEG) fees from our cable franchise agreement to upgrade the layout and audio/video capabilities of the Council Chambers.

Two years ago, the Financial Commission strongly urged the Council to move forward with a robust plan to reinvest in the City's facilities. As the City's revenues continue to increase and construction costs do also, now is the time for the City to continue to invest in these facilities. The community would benefit greatly from improvements to the Los Altos Youth Center, the Police Station, Grant Park, the Garden House, and City Hall.

SANITARY SEWERS

The City's Sanitary Sewer Fund continues to be adequately funded and allows the City to maintain the collection and distribution system. Overall, the Proposed CIP includes \$12 million for sewer capital projects.

CITY COUNCIL STRATEGIC PRIORITIES

Annually, the City Council adopts a list of Strategic Priorities. These are the initiatives and projects where the Council expects to focus its attention, including the City's finances, for the next year. These Strategic Priorities are listed elsewhere in the Budget, but various funding aspects and initiatives are discussed here.

THE NEW LOS ALTOS COMMUNITY CENTER

The Budget fully funds the \$34.7 million project utilizing a variety of funding sources. The General Fund is the primary source with some funding assistance from Park-in-Lieu fees paid by new development. It has also been anticipated that cash flow constraints will likely require the City to borrow approximately \$10 million. This loan is also accounted for in the Budget, with the debt service charge allocated in the Debt Service section of the budget.

IMPROVING TRAFFIC SAFETY

- Safe Routes to Schools

For the past three years, improving traffic safety, specifically around schools, has been a strategic priority of the City Council. Recent projects include intersection improvements at Los Altos Avenue/W. Portola Avenue; improvements at Miramonte/Berry; and crosswalk improvements at St. Joseph/Deodora.

BUDGET MESSAGE

One major challenge with projects such as these is the early community engagement. The budget includes funding to assist in this effort. First, we plan to add communications assistance for all our efforts by focusing the efforts of one of our management analyst fellow positions on community outreach and engagement. Second, the budget includes funding (\$60,000 annually) to hire a consultant to act as the Safe Routes to Schools Coordinator. This proposal will assist with developing Safe Routes to Schools plans; engaging the community regarding potential projects and assist with the education of school age students about pedestrian and bicycle safety.

- Crossing Guards

Since 2015, the City has provided crossing guards at critical intersections around the City to assist children going to and from school. Under agreement with the Los Altos School District, Mountain View/Los Altos High School District and Cupertino Union School District, the City paid approximately 75% of the cost associated with this program.

However, as costs for the program have increased over the past couple of years, the City's portion of the cost has increased; the City now pays over 80% of the cost, or approximately \$250,000 annually. Also, the Cupertino Union School District has balked at paying for this program, leaving the Montclair Parent Teacher Association to cover the cost out of donated funds. The current crossing guard agreement with All City Management Services expires in 2020 and will need to be renegotiated.

Because of the critical nature of this program, we don't believe it's future should be secured by various agreements with the districts, or the ability of a school or schools to raise enough donated money to continue it. Therefore, the Budget includes an additional \$60,000 for the City to cover the full cost of this program and relieve the schools from financially participating. By taking this step, the City will administer and control the entire program; will receive input from the schools and can ensure that the crossing guard program continues in the future.

IMPROVING PUBLIC SAFETY/COMMUNITY ENGAGEMENT

Over the past two years, with the assistance of the Los Altos Community Foundation and others, the City has greatly expanded our emergency preparedness. The City employs a part-time emergency preparedness coordinator to assist in forming Block Action Teams, Community Emergency Response Teams and a group of HAM radio operators all of whom are trained to assist in a variety of emergency situations.

The Budget continues to fund these activities and continues to fund two Management Analyst Fellow positions, one of which will be focused on expanding our outreach efforts by establishing a greater social media presence that can be used to facilitate community discussions regarding emergencies and crime prevention efforts.

BUDGET MESSAGE

DOWNTOWN AND COMMUNITY PARTNERING

The critical outcome of the community surveying that led to the creation of the recommendations in the Downtown Vision report was that the community desires a more vibrant downtown. Many of the recommendations in the Vision report require changes that will lead to possible changes in the physical environment of the Downtown. However, there are other ways to increase the vibrancy level in the community.

In 2018, the City's voters overwhelmingly supported an increase the City's transient occupancy tax from 11% to 14%. The City Council has determined that the best approach is to phase in this increase by 1% each year. In FY 2020, this will result in an increase in 'TOT' revenues of approximately \$270,000.

The TOT is essentially a visitor's tax. As such, we believe re-investing a small portion of these revenues into the visitor industry both recognizes the value the community places on our hotel industry, as well as resulting in greater income in the future. Therefore, the Budget includes \$50,000 of the TOT revenue be committed to partnerships with the Los Altos Chamber of Commerce and other visitor-related activities, such as visitor guides and sponsorship of community events, that assist both the residents and businesses as well as achieving greater interest in the community from our visitors.

Such activities should lead to more activities and greater interest in our downtown, helping fulfill the community's stated desire for vibrancy.

OTHER PROPOSED INITIATIVES

The Budget is also an opportunity for the City Manager and staff to propose specific initiatives that may not rise to the level of a strategic priority, but we believe deserve attention from the City Council and community. Those are also included here.

CalPERS UNFUNDED LIABILITY

Most cities in California are struggling with the expected increases caused by enormous unfunded liabilities associated with CalPERS pensions. In fact, for many, the number one financial and managerial challenge is focused on this one issue for the foreseeable future. For Los Altos, we face this challenge, but are in a position to accommodate the expected payment increases of about \$14 million over the next decade caused by CalPERS decision to lower the discount rate. There are two reasons why we are in a better position than most cities: 1) our total unfunded liability (\$45 million) is relatively less than many cities; and 2) we have anticipated this possibility and have been reserving at least \$1 million/year for each of the past few years to assist us in these increase payments.

For the past several months, the Financial Commission has been studying the issue to help determine how best to use this reserve. I expect the Commission to make a recommendation in the next few months. The Budget is anticipating a one-time payment to PERS of approximately \$4 to 5 million to

MAINTENANCE SERVICES

The Maintenance Services Department provides preventative and on-call maintenance services to the City's streets, parks, trees wastewater collection/storm drainage collection systems, building facilities, fleet and equipment.

The Maintenance Services Department responsibilities include:

The Streets Division inspects and maintains 104 miles of City streets to ensure safe conditions for motorists, bicyclists and pedestrians; responds to roadway issues, such as potholes; installs, repairs and replace street name and regulatory signs; inspects and cleans all storm drain catch basins, Locates and clears Storm water outfalls into creeks and addresses flow line and drainage problems. Repairs and maintains Street lighting.



The Parks Division maintains 52.5 acres of City Parks and 42 acres of City landscape boulevards

Sewer Division maintains 108 miles of sewage collection system and responds on a 24-hour basis to all sewer related residential and business calls; maintains 6.3 miles of creeks and 55 miles of storm drain pipes & 3 lift stations.

Facility Maintenance maintains 136,000 square feet of City buildings/facilities; regular maintenance and inspection to ensure buildings meet Fire Department and Health Department requirements

Fleet provides automotive/equipment maintenance and repairs for 71 City-owned or leased vehicles

ACCOMPLISHMENTS FOR FY2017-19

- ❑ Completed citywide street tree inventory.
- ❑ Crack sealed 75 lane miles of road way extending the life of City roads.
- ❑ Located and cleared 270 Storm Water outfalls in to City Creeks. Eliminating major flooding during severe storms.
- ❑ Cleaned and inspected 2700 Storm Water catch basins.
- ❑ Worked with the County of Santa Clara on tree plantings on Foothill Expressway medians.

MAINTENANCE SERVICES

GOALS FOR FY2019-21

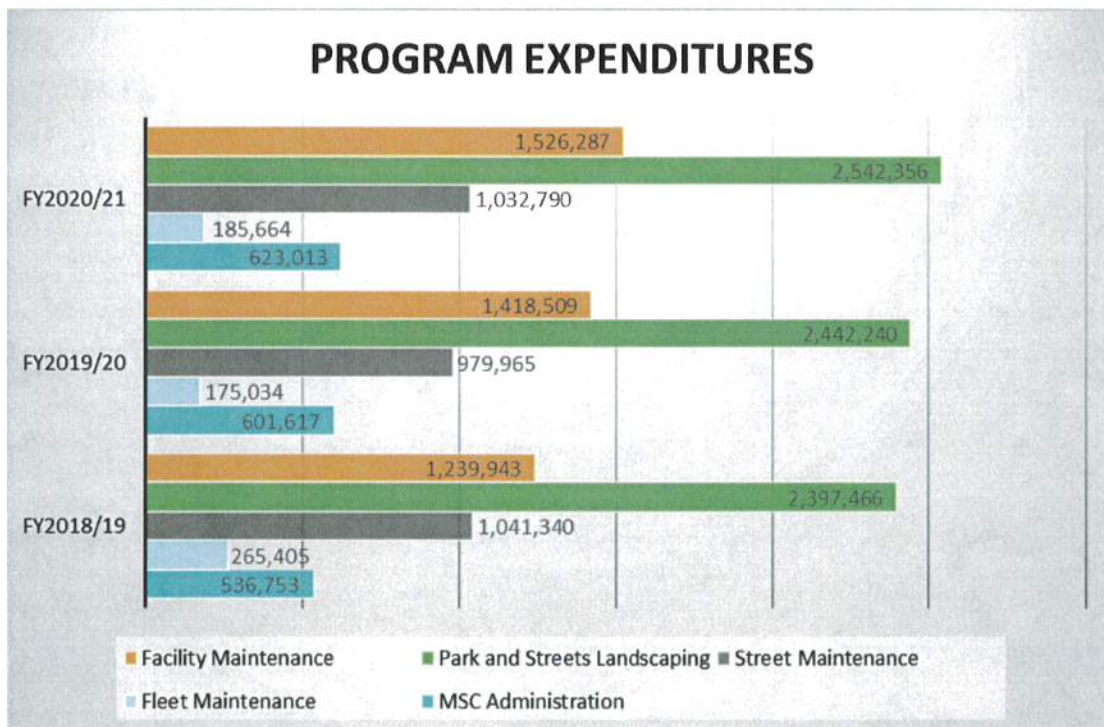
- Continue as part of the project management team for the new Los Altos Community Center, scheduled for opening in December 2020 consistent with City Council priority.
- Support the implementation of a 10-year Capital Facilities Plan and its on-going updates.
- Continue implementation of Sanitary Sewer Master Plan and Sanitary Sewer Management Plan to maintain serviceability of the sewer system and reduce Sanitary Sewer Overflows.
- Implement a new asset management computer system to better manager city-owned facilities and infrastructure.
- Implement electronic Underground Service Alert (USA) system to keep better records and make staff more efficient.
- Beautification of the City's medians through new plantings and a more targeted maintenance plan.
- Continue efforts to maximize tree plantings as appropriate and keep all City owned trees in the healthiest condition.
- Improve the condition and extend the life of City Roadways through increased crack sealing and asphalt repairs.
- Continue to thoroughly clean and inspect the City's Storm Water System, eliminating major flooding and reducing pooling.

PERFORMANCE MEASURES	GOALS	
	FY2019/20	FY2020/21
Crack seal roadway	45 lane miles	45 lane miles
Clean City sewer lines	445,000 ft	445,000 ft

POSITIONS	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21
MSC Administration	2	2	2	2	2
Fleet Maintenance	1	1	1	1	1
Street Maintenance	7	7	7	7	7
Park and Streets Landscaping	13	13	13	13	13
Facility Maintenance	5	5	5	5	5
Sewer Maintenance	6	6	6	6	6
	34	34	34	34	34

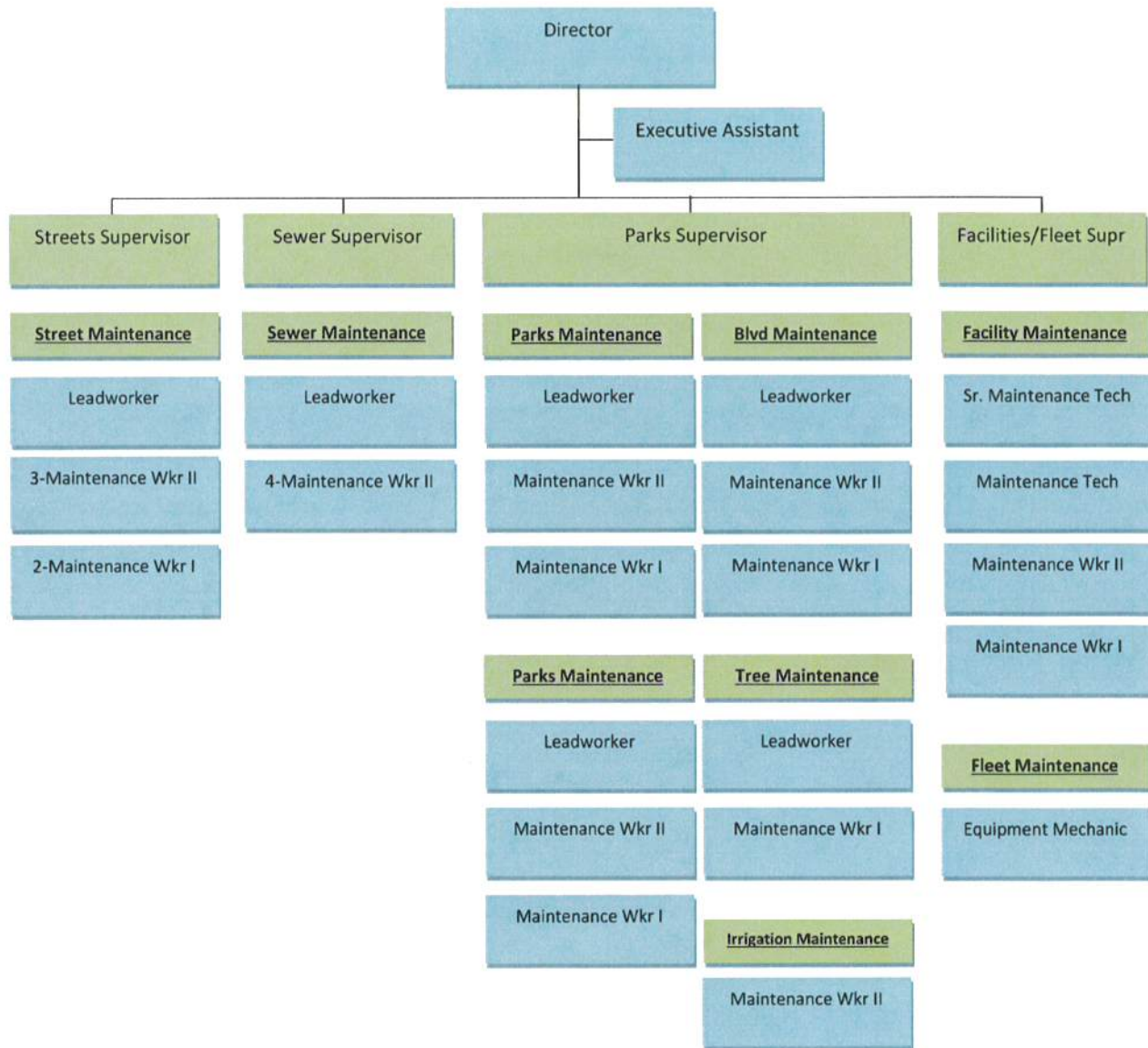
MAINTENANCE SERVICES

PROGRAM EXPENDITURES	Fund						% Change
		FY2016/17 Actual	FY2017/18 Actual	FY2018/19 Budget	FY2019/20 Proposed	FY2020/21 Proposed	Over 2018/19
MSC Administration	General	483,281	544,418	536,753	601,617	623,013	12.1%
Fleet Maintenance	General	206,805	253,154	265,405	175,034	185,664	-34.1%
Street Maintenance	General	923,732	1,050,434	1,041,340	979,965	1,032,790	-5.9%
Park and Streets Landscaping	General	2,309,934	2,514,450	2,397,466	2,442,240	2,542,356	1.9%
Facility Maintenance	General	1,085,044	1,175,929	1,239,943	1,418,509	1,526,287	14.4%
Maintenance Services		5,008,797	5,538,385	5,480,907	5,617,365	5,910,110	2.5%



EXPENSE ALLOCATION						% Change
	FY2016/17 Actual	FY2017/18 Actual	FY2018/19 Budget	FY2019/20 Proposed	FY2020/21 Proposed	Over 2018/19
Salaries and Benefits	3,086,400	3,341,355	3,498,850	3,529,965	3,876,160	0.9%
Services and Supplies	1,912,291	2,183,651	1,982,057	2,087,400	2,033,950	5.3%
Capital Outlay	10,106	13,379	-	-	-	-
	5,008,797	5,538,385	5,480,907	5,617,365	5,910,110	2.5%

MAINTENANCE SERVICES



DID YOU KNOW?

- The Sewer Division responds to a complaint call within 45 minutes or less, regardless of the call time.
- The Parks Division will trim 660 trees annually in the Downtown area alone.

RECREATION & COMMUNITY SERVICES

The Recreation & Community Services Department offers a wide variety of recreational opportunities for all ages. Programs for youth and adults include classes and camps which focus on: health and wellness, life-long learning, and special interest. From youth soccer and basketball to adult jazzercise and yoga/Pilates, everyone in the family can choose a fun, recreational way to stay active. In addition, the Los Altos community can continue to expand their life skills or interest through youth theatre, financial planning, painting, pet training, or music just to name a few examples. Teen focused programming currently utilizes The Underground facility, while seniors have the option to participate in senior focused programming at two locations—Hillview and Grant Community Centers. The facility rental program, which provides opportunities and services for many community-based groups, is internally managed and continues to grow and expand. Recreation & Community Services also provides a very robust volunteer program (MVP) to garner community involvement to both supplement and support the department's programs and services. Furthermore, Recreation continues to coordinate an array of special event, which are instrumental in creating community in Los Altos and the surrounding area. Events such as the Summer Concerts, New Year's Day Fun Run and the Spring Egg Hunt bring in 700-1,000 people per event.



With the upcoming demolition and construction of the new community center, Recreation & Community Services will enter a transitional period. Many of the Recreation classes, programs and events have been relocated as of April 2019 to other City facilities or placed on hiatus due to the limited space available. Recreation operations will relocate to the newly renovated Underground in Summer 2019. This relocation will displace our Teen facility, however Recreation will offer Teen focused events at other City facilities to offset this displacement. In addition, our Senior Center has relocated to the Grant Park site as of April 2019.

Recreation & Community Service's budget for 2019/21 reflects a balanced approach to department expenditures—utilizing both internally and contractually provided programs and services. Internally, the budget reflects funding for supplies, facility requirements and needs, and the use of full and part-time staff. Additionally, Recreation accounts for anticipated contractual usage which helps to augment the diverse programs and services that we provide.

The Recreation & Community Services Department operates in a friendly, professional manner with a strong focus on providing the Los Altos community with outstanding customer service. We endeavor to anticipate and keep pace with the ever-changing trends, community needs, and priorities. Being cost effective, in addition to recovering cost, is an important part of the budget. Staff will continue to strive to maintain a direct cost recovery range of approximately 80%, as it has in prior years

RECREATION & COMMUNITY SERVICES

ACCOMPLISHMENTS FOR FY2017-19

- ❑ Completed facility improvements to the Grant Community Center.
- ❑ Resurfaced the tennis courts at McKenzie, Montclair and Marymeade Parks.
- ❑ Completed park improvements to the Los Altos Youth Center and the San Antonio Club.
- ❑ Assumed and continued the programming for the Glorious 4th event at Shoup Park.
- ❑ Assumed and continued the programming for the Downtown Green.
- ❑ Transitioned the Los Altos Youth Theatre program to a contractual partnership with the Los Altos Stage Company.
- ❑ Partnered with the Senior Commission and Parks & Recreation Commission to offer additional special events.

GOALS FOR FY2019-21

- ❑ Launch improved recreation registration software.
- ❑ Partner with the Arts Commission to provide increased art events and/or programs.
- ❑ Increase non-Hillview Community Center rental reservations by 15%.
- ❑ Transition recreation operations to the Underground during construction of the new community center.
- ❑ Rebrand the teen programs and events to increase participation in anticipation of the repurposing of the Underground facility.
- ❑ Maintain the variety of programs and services offered by effectively and efficiently utilizing other City facilities and partnering with community-based organizations during the construction of the new community center.

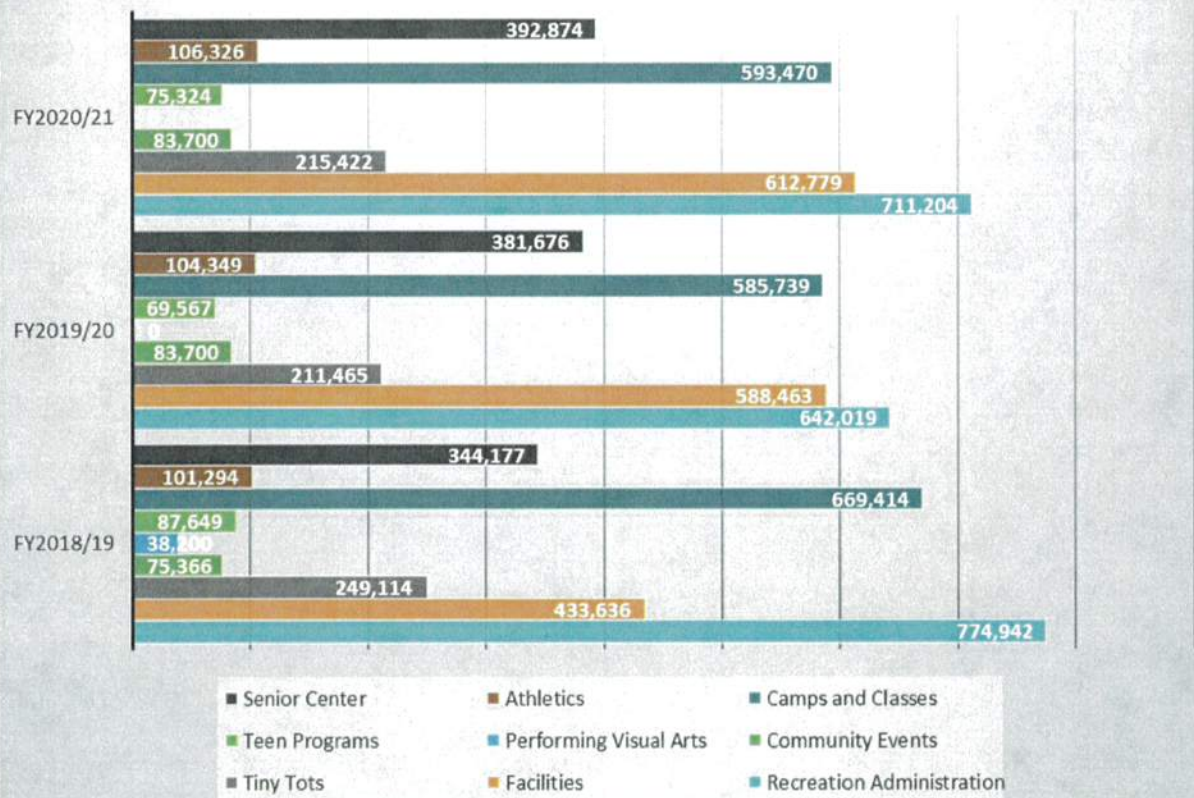
PERFORMANCE MEASURES	GOALS	
	FY2019/20	FY2020/21
Maintain reasonable class cancellation rate	15%	15%
Maintain and/or increase attendance at Recreation event	5,460	5,460
Maintain rental usage of Recreation city facilities	4,297	4,297

POSITIONS	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21
Recreation Administration	2.5	2.5	2.5	2.5	2.5
Facilities	2	2	2	2	2
Tiny Tots	0.5	0.5	0.5	0.5	0.5
Community Events	-	-	-	-	-
Performing Visual Arts	-	-	-	-	-
Teen Programs	0.5	0.5	0.5	0.5	0.5
Camps and Classes	0.75	0.75	0.75	0.75	0.75
Athletics	0.25	0.25	0.25	0.25	0.25
Senior Center	1.5	1.5	1.5	1.5	1.5
	8	8	8	8	8

RECREATION & COMMUNITY SERVICES

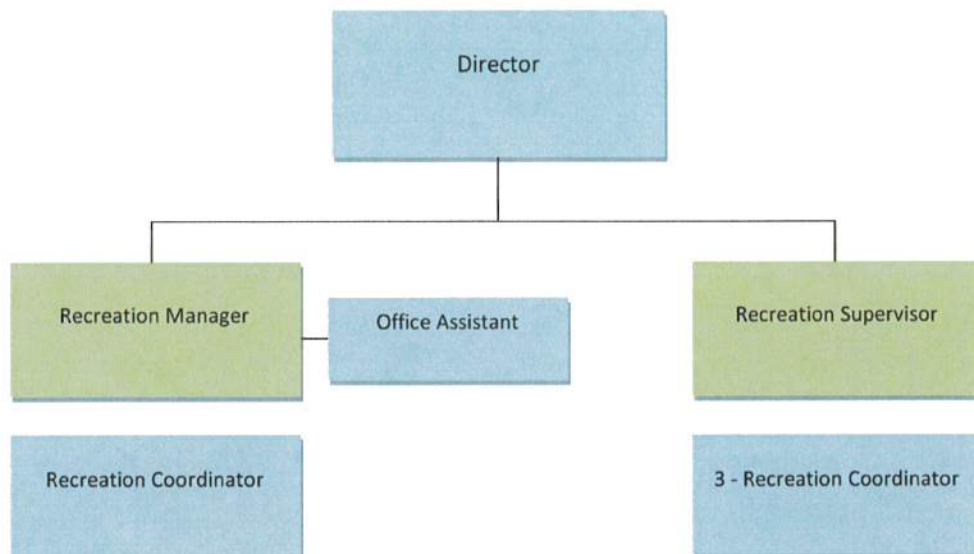
PROGRAM		FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	% Change Over
EXPENDITURES	Fund	Actual	Actual	Budget	Proposed	Proposed	2018/19
Recreation Administration	General	509,208	711,895	774,942	642,019	711,204	-17.2%
Facilities	General	479,421	457,802	433,636	588,463	612,779	35.7%
Tiny Tots	General	127,875	213,129	249,114	211,465	215,422	-15.1%
Community Events	General	42,893	50,526	75,366	83,700	83,700	11.1%
Performing Visual Arts	General	68,557	25,239	38,200	-	-	-100%
Teen Programs	General	102,706	75,943	87,649	69,567	75,324	-20.6%
Camps and Classes	General	463,226	560,034	669,414	585,739	593,470	-12.5%
Athletics	General	337,805	143,234	101,294	104,349	106,326	3.0%
Senior Center	General	211,080	272,197	344,177	381,676	392,874	10.9%
		2,342,722	2,509,279	2,773,792	2,666,978	2,791,099	-3.9%

PROGRAM EXPENDITURES



EXPENSE	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	% Change Over
ALLOCATION	Actual	Actual	Budget	Proposed	Proposed	2018/19
Salaries and Benefits	1,197,588	1,390,868	1,551,632	1,503,008	1,633,529	-3.1%
Services and Supplies	1,142,381	1,118,411	1,222,160	1,163,970	1,157,570	-4.8%
Capital Outlay	2,802	-	-	-	-	-
	2,342,772	2,509,279	2,773,792	2,666,978	2,791,099	-3.9%

RECREATION & COMMUNITY SERVICES



DID YOU KNOW?

- Recreation offered 1,110 classes in fiscal year 2017/18.
- In fiscal year 2017/2018, Recreation processed 2,509 facility rentals for a total of 10,350 hours and 15 minutes of use.
- Recreation hosted 14 special events in fiscal year 2017/2018: New Year's Fun Run, Spring Egg Hunt, Summer Concerts (8), Glorious 4th, Downtown Green, Halloween Window Painting, and Tree Lighting.

LOS ALTOS COMMUNITY CENTER



This project will accommodate the design and construction of a new community center replacing the outdated Hillview Community Center. The project will also include site work and outdoor park facilities and amenities related to the construction of the new facility.

Civic Facilities-Buildings		
CF - 01002	Priority: Asset Preservation	Project Lead: C. Jordan
Initial Funding Year: FY2013/14	Planned Start Date: In Progress	Target Completion Date: 2021
Project Status: In Progress	Expended as of March 31, 2019: \$2,325,000	Operating Budget Impact: None

	Prior	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	Appropriation	Budget	Planned	Planned	Planned	Planned	
Project Estimates							
Los Altos Community Center	4,600,271	11,400,000	18,699,729	-	-	-	34,700,000
Funding Sources							
CIP	4,600,271	11,400,000	17,399,729	-	-	-	33,400,000
In-Lieu Park Fund	-	-	1,300,000	-	-	-	1,300,000
Total	4,600,271	11,400,000	18,699,729	-	-	-	34,700,000

CITY HALL EMERGENCY BACK-UP POWER GENERATOR



The existing stand-by generator at City Hall was installed in 1998 and was brought over from the Police Department. The City has been required by Bay Area Air Quality Management District (BAAQMD) and California Air Resources Board (CARB) to register the emergency generator under the Portable Equipment Registration Program. The generator is subject to unscheduled inspections by the State for compliance with emission requirements. While the existing generator is meeting the current emission requirements, it is aging and at risk of exceeding emission standards soon. The new more energy-efficient Cummings generator will meet all BAAQMD requirements and will be more cost-effective to operate.

Civic Facilities-Buildings		
CF - 01011	Priority: Asset Preservation	Project Lead: M. Hernandez
Initial Funding Year: FY2017/18	Planned Start Date: 2020/21	Target Completion Date: December 2020
Project Status: Not Started	Expended as of March 31, 2019: -	Operating Budget Impact: Decreased Maintenance Costs

	Prior	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	Appropriations	Budget	Planned	Planned	Planned	Planned	
Project Estimates							
City Hall	55,000	-	30,000	-	-	-	85,000
Emergency Back-							
Funding Source							
CIP	55,000	-	30,000	-	-	-	85,000
Total	55,000	-	30,000	-	-	-	85,000

MSC FUEL-DISPENSING STATION OVERHEAD CANOPY



The fuel dispensing island at the Municipal Services Center (MSC) has an above ground holding tank with containment wall around it. It is necessary to build a canopy to limit storm water entering the contained area and to provide cover for the fueling station to prevent excessive weathering of the electronic screens and keypads.

Civic Facilities-Buildings		
CF - 01013	Priority: Asset Preservation	Project Lead: M. Hernandez
Initial Funding Year: FY2017/18	Planned Start Date: FY2021/22	Target Completion Date: June 2022
Project Status: Not Started	Expended as of March 31, 2019: -	Operating Budget Impact: Decreased Maintenance Costs

	Prior	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	Appropriations	Budget	Planned	Planned	Planned	Planned	
Project Estimates							
MSC Fuel-Dispensing Station	-	-	-	260,000	-	-	260,000
Funding Source							
CIP	-	-	-	260,000	-	-	260,000
Total	-	-	-	260,000	-	-	260,000

WATERLINE BACKFLOW PREVENTERS



The project will install backflow preventers for all City-metered water connections. The Cross-Connection Control Program is designed to meet the requirements of the California Code of Regulations, Title 17, Public Health Sections 7583 through 7605. Failure to install and maintain such devices may lead to a water service interruption and possible loss of water services.

Civic Facilities-Buildings		
CF - 01016	Priority: Asset Preservation	Project Lead: M. Hernandez
Initial Funding Year: FY2016/17	Planned Start Date: June 2019	Target Completion Date: August 2019
Project Status: Not Started	Expended as of March 31, 2019: \$46,936	Operating Budget Impact: None

	Prior	2019/20	2020/21	2021/22	2022/23	2023/24	Total
	Appropriations	Budget	Planned	Planned	Planned	Planned	
Project Estimates							
Waterline Backflow	173,671	-	-	-	-	-	173,671
Funding Source							
CIP	173,671	-	-	-	-	-	173,671
Total	173,671	-	-	-	-	-	173,671

ANNUAL PARK IMPROVEMENTS



This annual project provides for the design and construction and matching grant fund contributions for repair and improvements of parks throughout the City. Park improvement projects will be guided by the Parks Plan as well as the Parks and Recreation Commission.

Civic Facilities-Parks and Trails		
CF - 01017	Priority: Asset Preservation	Project Lead: M. Hernandez
Initial Funding Year: Annual	Planned Start Date: Annual	Target Completion Date: Annual
Project Status: Annual	Expended as of March 31, 2019: \$310,503	Operating Budget Impact: Decreased Maintenance Costs

	Prior Appropriations	2019/20 Budget	2020/21 Planned	2021/22 Planned	2022/23 Planned	2023/24 Planned	Total
Project Estimates							
Annual Park Improvements	500,000	250,000	390,000	280,000	250,000	280,000	1,950,000
Funding Source							
In-Lieu Park Fund	500,000	250,000	390,000	280,000	250,000	280,000	1,950,000
Total	500,000	250,000	390,000	280,000	250,000	280,000	1,950,000